

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 8305130028 DOC DATE: 83/05/09 NOTARIZED: YES DOCKET #:
 FACIL: 50-410 Nine Mile Point Nuclear Station, Unit 2, Niagara Mohawk 05000410
 AUTH. NAME: AUTHOR: AFFILIATION:
 MANGAN, C.V. Niagara Mohawk Power Corp.,
 RECIPIENT NAME: RECIPIENT AFFILIATION:
 REGAN, N.H. Site Analysis Branch

SUBJECT: Forwards addl info requested 830321, re antitrust review of
 OLI abolition.

DISTRIBUTION CODE: Z998S COPIES RECEIVED: LITR: 1 ENCL: 1 SIZE: 2
 TITLE: Antitrust Info Re Reg Guide 9.3

NOTES: PNL 1cy; FGAR'S & AMOTS ONLY.

05000410

	RECIPIENT IDI CODE/NAME	COPIES LITR ENCL	RECIPIENT IDI CODE/NAME	COPIES LITR ENCL
	NRR: LB2: BCI	1 0	NRR: LB2: LAI	1 0
	HAUGHEY, MI 01	1 0		
INTERNAL:	ELD/AD/	1 1	NRR/DE/AE/BI 07	1 1
	<u>REGI FILED</u>	1 1		
EXTERNAL:	LPDR:	1 1	NRCI PDR: 02	1 1
	NSICI 05	1 1	NTIS	1 1
NOTES:		1 1		

TOTAL NUMBER OF COPIES REQUIRED: LITR 11 ENCL 8

THE UNIVERSITY OF CHICAGO
 LIBRARY
 540 EAST 57TH STREET
 CHICAGO, ILL. 60637

This book is the property of the University of Chicago Library. It is loaned to you for your personal use only. It is not to be sold, transferred, or otherwise disposed of without the written consent of the University of Chicago Library.

DATE	BY	TO	REMARKS
1980	R	R	...
1981	R	R	...
1982	R	R	...
1983	R	R	...
1984	R	R	...
1985	R	R	...
1986	R	R	...
1987	R	R	...
1988	R	R	...
1989	R	R	...
1990	R	R	...

May 9, 1983
(6596)

Mr. William H. Regan, Jr., Chief
Site Analysis Branch
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, D. C. 20555

In the Matter of
Niagara Mohawk Power Corporation
Nine Mile Point Nuclear Station Unit 2
Docket No. 50-410
Information for Anti-Trust Review
of Operating License Application

Dear Mr. Regan:

By letter of February 14, 1983, Niagara Mohawk Power Corporation, acting on behalf of the co-tenants of Nine Mile Point Nuclear Station Unit 2, submitted to you in accordance with the requirements of Regulatory Guide 9.3 information for anti-trust review of operating license application. By letter of March 21, 1983, you requested additional information to supplement our initial submittal.

Enclosed please find information provided by the Nine Mile Unit 2 co-tenants in response to your questions and requests for clarification. Specifically, included are responses provided by Niagara Mohawk Power Corporation, Central Hudson Gas and Electric Corporation, New York State Electric and Gas Corporation and Long Island Lighting Company.

Very truly yours,

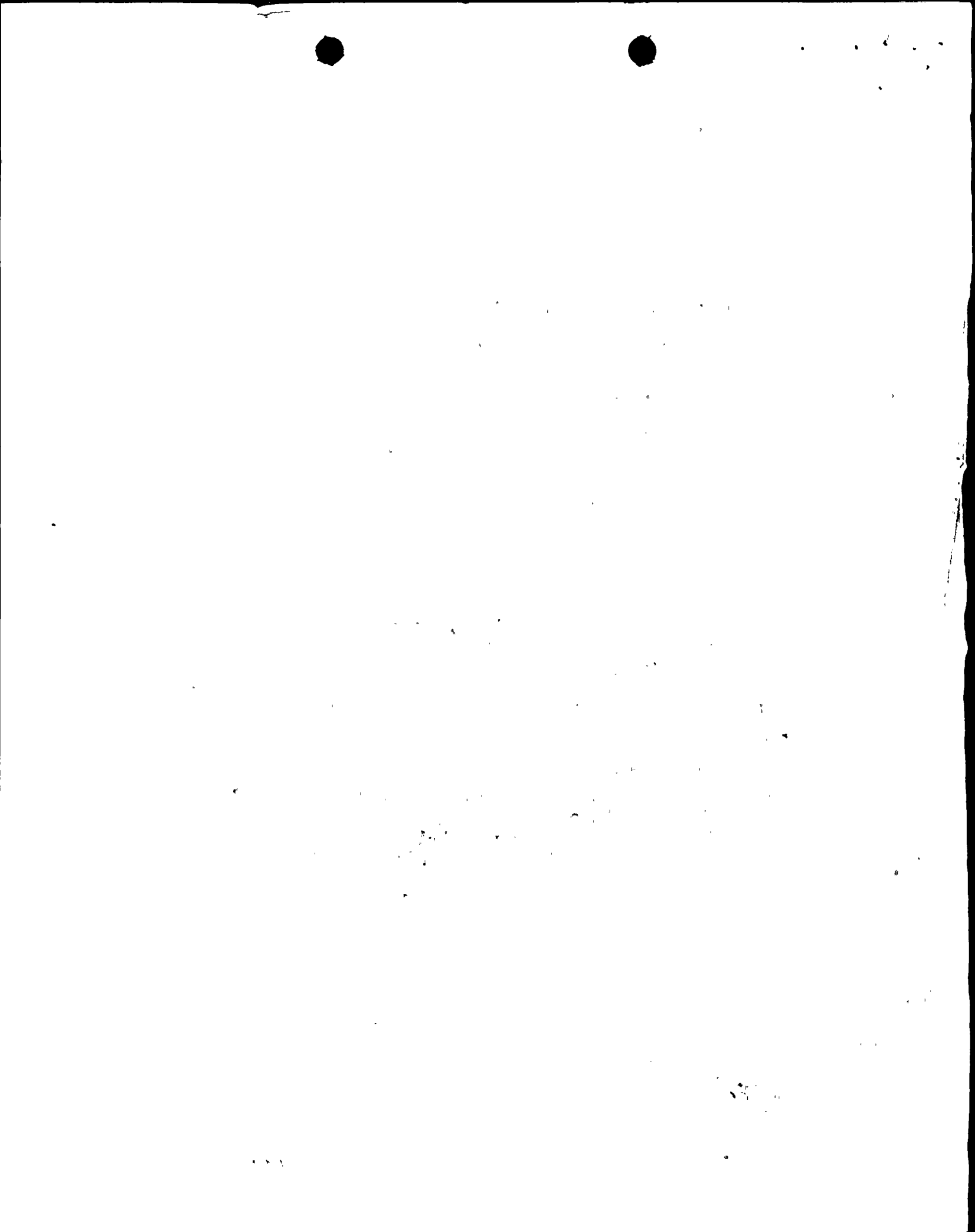
C. V. Mangan
C. V. Mangan
Vice President - Nuclear Engineering
and Licensing

8305130028 830509
PDR ADDCK 05000410
M PDR

GVM/GDW/gma
Attachments

cc: M. Haughey
NRC Project Mgr.

2998



UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Niagara Mohawk Power Corporation) Docket No. 50-410
)
(Nine Mile Point Unit 2))

AFFIDAVIT

C. V. Mangan, being duly sworn, states that he is Vice President of Niagara Mohawk Power Corporation; that he is authorized on the part of said Corporation to sign and file with the Nuclear Regulatory Commission the documents attached hereto; and that all such documents are true and correct to the best of his knowledge, information and belief.

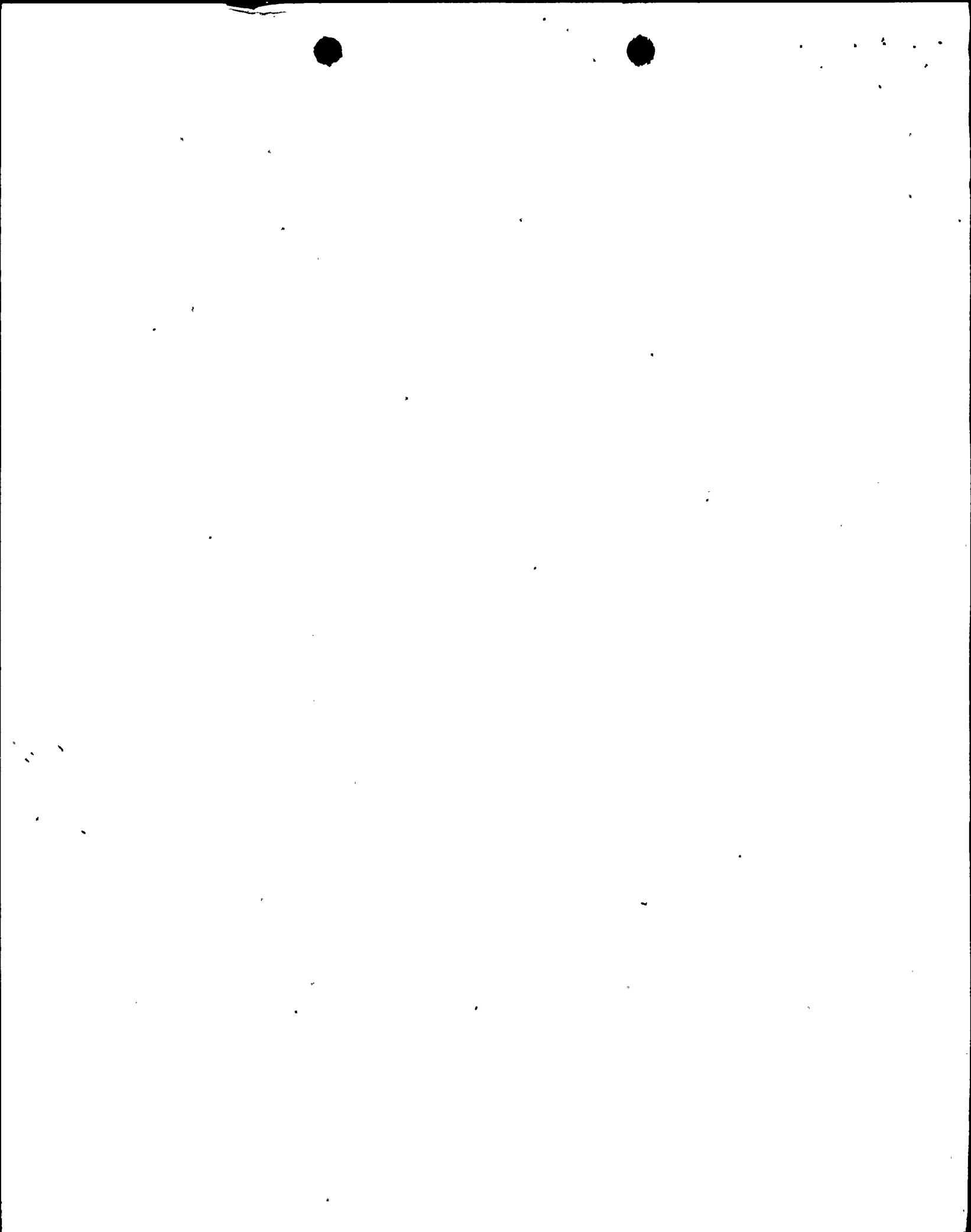
C. V. Mangan

Subscribed and sworn to before me, a Notary Public in and for the State of New York and County of Oneida, this 9th day of May, 1983.

Deborah Jean Polickemi
Notary Public in and for
Oneida County, New York

My Commission expires:

March 30, 1985
Registration # 4613818



INFORMATION FOR ANTI-TRUST REVIEW

OF

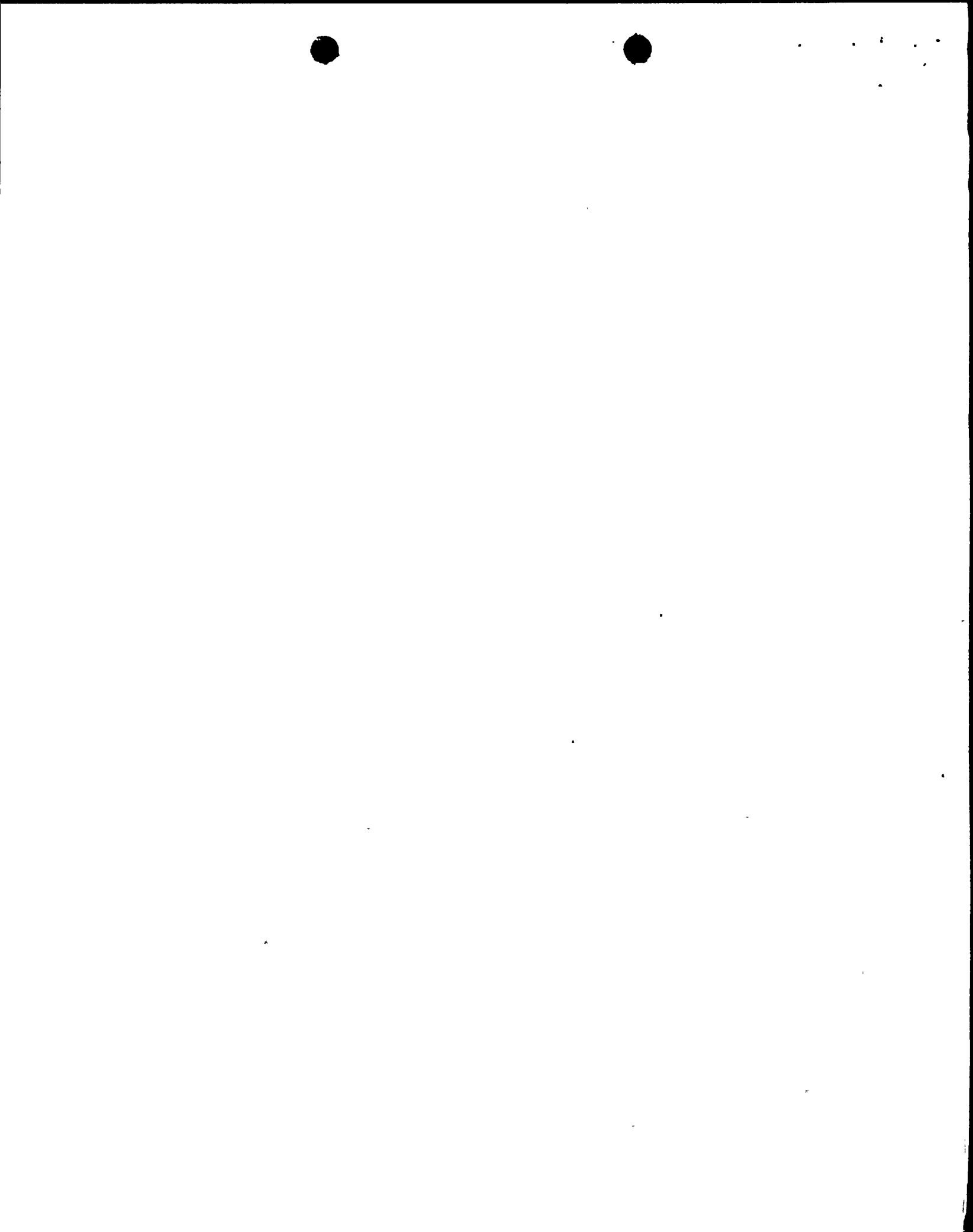
OPERATING LICENSE APPLICATION

As Requested By

Regulatory Guide 9.3

NINE MILE POINT NUCLEAR STATION, UNIT 2

Owners: Niagara Mohawk Power Corporation
Central Hudson Gas and Electric Corporation
Rochester Gas and Electric Corporation
New York State Electric and Gas Corporation
Long Island Lighting Company



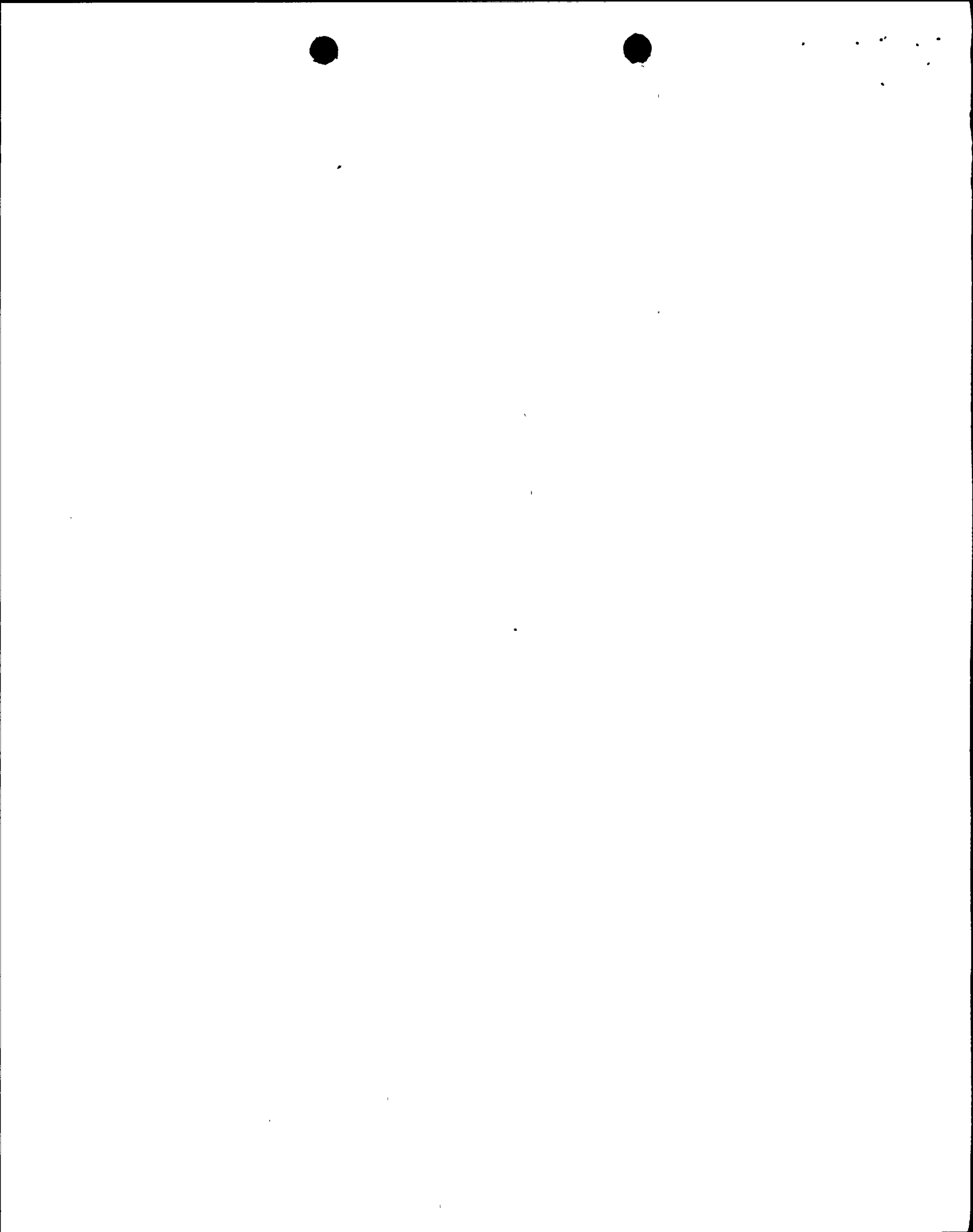
NINE MILE POINT UNIT NO. 2

Additional Information Requested by the NRC Regulatory Staff
in Connection With Its Anti-Trust Review of
Operating License Application
in Accordance With
Regulatory Guide 9.3

Supplementing Information Submitted to the Attorney General
For Anti-Trust Review in Connection With The License
Application for this Facility Pursuant to

10 CFR 50, Appendix L

NIAGARA MOHAWK POWER CORPORATION



NIAGARA MOHAWK POWER CORPORATION

NINE MILE POINT UNIT #2 - ANTI-TRUST REVIEW

Regulatory Guide 9.3

The following is the Niagara Mohawk Power Corporation's response to the request for additional information dated March 21, 1983 from Mr. William H. Regan, Jr., (Nuclear Regulatory Commission) to Mr. C. V. Mangan (Niagara Mohawk Power Corporation).

In addition to the material supplied in our February 14, 1983 submittal, we provide the following responses:

Question "1h": Niagara Mohawk Power Corporation should provide a "Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study." This summary list should identify to the extent possible, pertinent dates, parties and types of service requested.

Response: Since 1978, Niagara Mohawk has received numerous inquiries from other utilities regarding sales to Niagara Mohawk, purchases from Niagara Mohawk and Niagara Mohawk's ability to provide transmission service. Many requests regarding sales and service are verbal, and in general no records are established unless serious negotiations are begun. The material compiled in response to this question is based on review of our various documented files. Although we have not maintained formal records of all of these numerous inquiries, we do have records of the inquiries indicated in Attachment 1 and Attachment 2.

Attachment 1 is a listing of those utilities offering to sell capacity to Niagara Mohawk for which we have records. These offers were judged to be uneconomical and no further action was taken.

Attachment 2 is a listing of current agreements into which Niagara Mohawk has entered to provide electric service.



Since 1978, Niagara Mohawk has actively offered capacity for sale to other utilities. On April 8, 1981, Niagara Mohawk sent individual letters to each member of the New York Power Pool concerning the availability of electric generating capability and related energy. Similar letters were also sent to the PJM Pool (Pennsylvania, New Jersey, Maryland) and to NEPEX (New England Power Exchange).

Written responses were received from Northeast Utilities and Public Service Electric and Gas Company asking for more information. Verbal responses, asking for more information, were received from the following:

Philadelphia Electric
Atlantic City Electric
Consolidated Edison
Long Island Lighting
Baltimore Gas & Electric
Orange & Rockland

Written replies were made to all 8 respondents on June 1, 1981. Niagara Mohawk received 4 negative responses to these letters; a verbal response from Baltimore Gas and Electric and written responses from Philadelphia Electric, Northeast Utilities and Long Island Lighting Company. In addition, a negative letter was received from NEPEX.

Question "5a":

The transmission agreement between the Power Authority of New York, Niagara Mohawk and New York State Gas and Electric to transmit power and energy from PASNY's Niagara River Hydro Station to the Pennsylvania border for use by the member co-ops of the Allegheny Electric Cooperative was to expire on June 30, 1976. Was the agreement terminated, if so, when? Did the Allegheny Electric Cooperative or any of its member systems seek renewal of this agreement?

Response:

On August 4, 1965, Niagara Mohawk entered into an agreement with the Power Authority of the State of New York and New York State Electric & Gas to deliver power from the Power Authority of the State of New York to the Allegheny Electric Cooperative in Pennsylvania. The agreement's original expiration date of June 30, 1975, was subsequently extended to June 30, 1976. On December 3, 1974, the expiration date was again extended to August 31, 1979.



Even though the August 31, 1979 expiration date was never officially extended, FERC continued to consider the contract to be in effect and service was still provided. On March 22, 1983, a new agreement was signed by the parties.

Question "5b":

Just prior to the time the City of Massena became an operating power entity, the City alleged that Niagara Mohawk refused to enter into a transmission agreement to wheel PASNY energy over Niagara Mohawk's system to the system being planned by the City. What is the status of this relationship now that the City of Massena operates its own electric system?

Response:

The current status of the controversy between Niagara Mohawk and the Town of Massena is that all antitrust allegations against Niagara Mohawk were dismissed by Federal District Court Judge Howard G. Munson, Case No. 79-CV-163, in his decision of September 8, 1980.

No appeal has been sought in this case.

Question "5c":

Has Massena made additional requests to Niagara Mohawk for any type of electric service since the City became an operating entity? Elaborate in conjunction with your more detailed response to question "1(h)" supra.

Response:

The Town of Massena has made no additional requests to Niagara Mohawk for any type of electric service since becoming an operating entity.



ATTACHMENT 1

COMPANIES WHICH HAVE OFFERED
TO SELL CAPACITY TO NIAGARA MOHAWK

<u>Date of Letter</u>	<u>Company</u>	<u>Capacity</u>	<u>Term</u>
2/22/78	Bangor Hydro-Electric Company	up to 45 MW	11/79-10/82
2/27/78	Rochester Gas & Electric	150MW	12/79-3/81
3/2/78	Orange and Rockland Utilities	200 MW	Summer '78
6/5/78	Delaware Power	400MW	6/80-5/82
9/7/78	Orange and Rockland Utilities	185MW	Winter '78 - '79
12/19/78	New England Power Service	300 MW	11/81 - 10/82
12/19/78	Central Hudson Gas & Electric	100 MW	-
9/25/79	Orange and Rockland Utilities	200MW	Winter '79 - 80
7/17/80	St. Joe Zinc Co., Monaca, PA	110MW	Unit Participation
4/3/81	Central Hudson Gas & Electric	340MW	Summer '81
9/28/81	Central Hudson Gas & Electric	250MW	Winter '81 - '82
10/26/82	Maine Public Service Company	-	Unit Participation



• • • • •

•

•

•

•

•

•

•

•

•

•

•

•

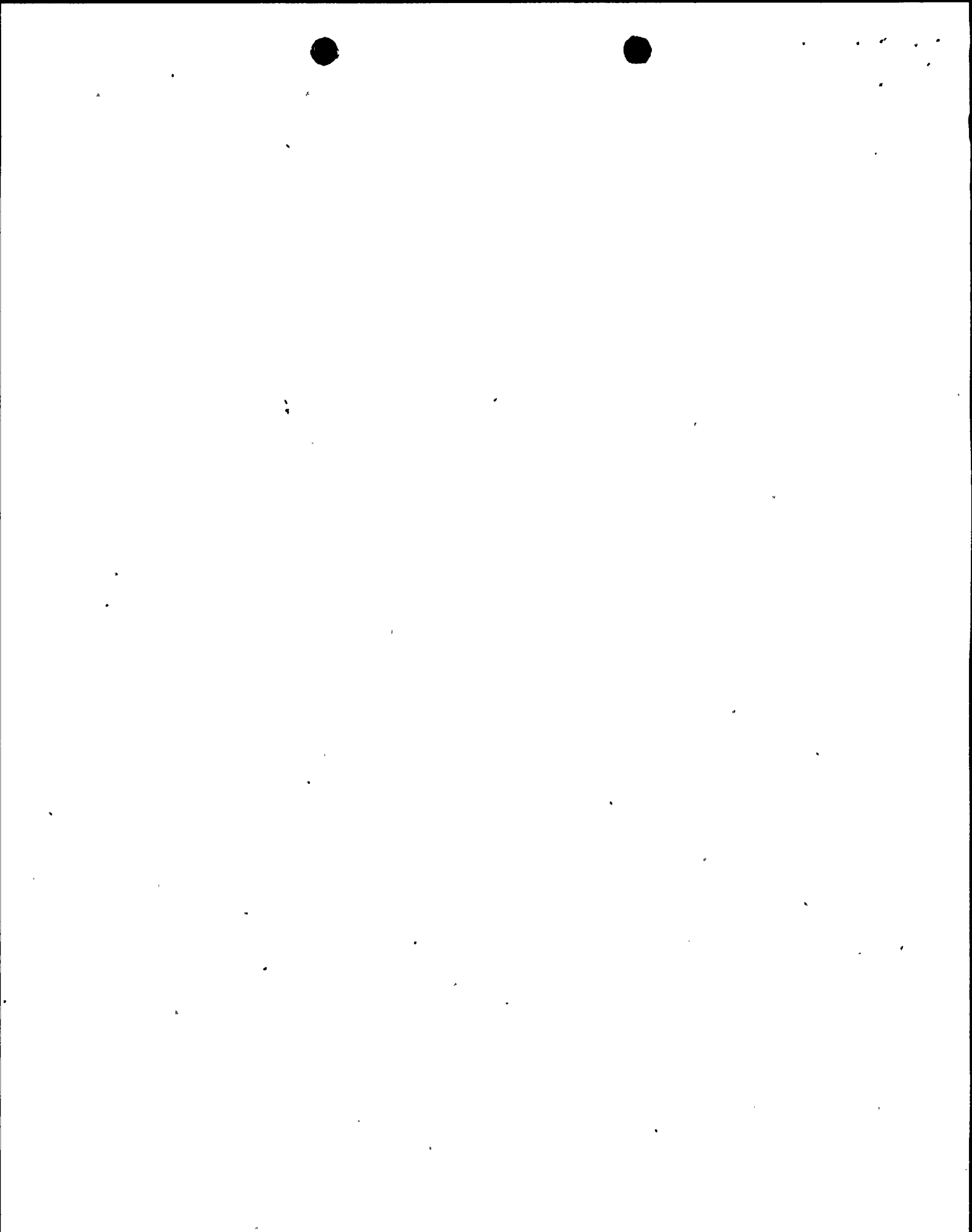
•

ATTACHMENT 2

SUMMARY OF AGREEMENTS SINCE 1978 FOR ELECTRICAL SERVICE
WITH NIAGARA MOHAWK POWER CORPORATION (Assuming FERC Approval)

Agreement Date

March 19, 1979	New York State Electric & Gas	Sale of Energy
April 1, 1979	Rochester Gas and Electric	Transmission Service From Hydro Quebec
April 1, 1979	Consolidated Edison	Transmission Service From Hydro Quebec
July 1, 1979	General Public Utilities	Transmission Service From the City of Jamestown
October 3, 1979	Consolidated Edison	Transmission Service From PASNY's pump storage facility at Gilboa
December 17, 1980	Central Hudson	Transmission Service From PASNY's Pump Storage Facility at Gilboa
January 19, 1981	Northeast Utilities	Transmission Service From Central Hudson
September 21, 1981	Northeast Utilities	Sale of Energy
October 1, 1981	Northeast Utilities	Transmission Service From Consolidated Edison
February 23, 1982	Hydro Quebec	Interconnection Agreement
March 22, 1982	Power Authority of the State of New York	Transmission Service to Pennsylvania Electric Company
October 9, 1982	Ontario Hydro	Purchase of Energy
November 1, 1982	Vermont Public Power Company, Inc.	Transmission Service From Ontario Hydro
February 1, 1983	Vermont Electric Power Company, Inc.	Sale of Energy
March 3, 1983	Power Authority of the State of New York	Transmission to Pennsylvania Electric Company (in turn, to be transmitted to Allegheny Electric Cooperative)



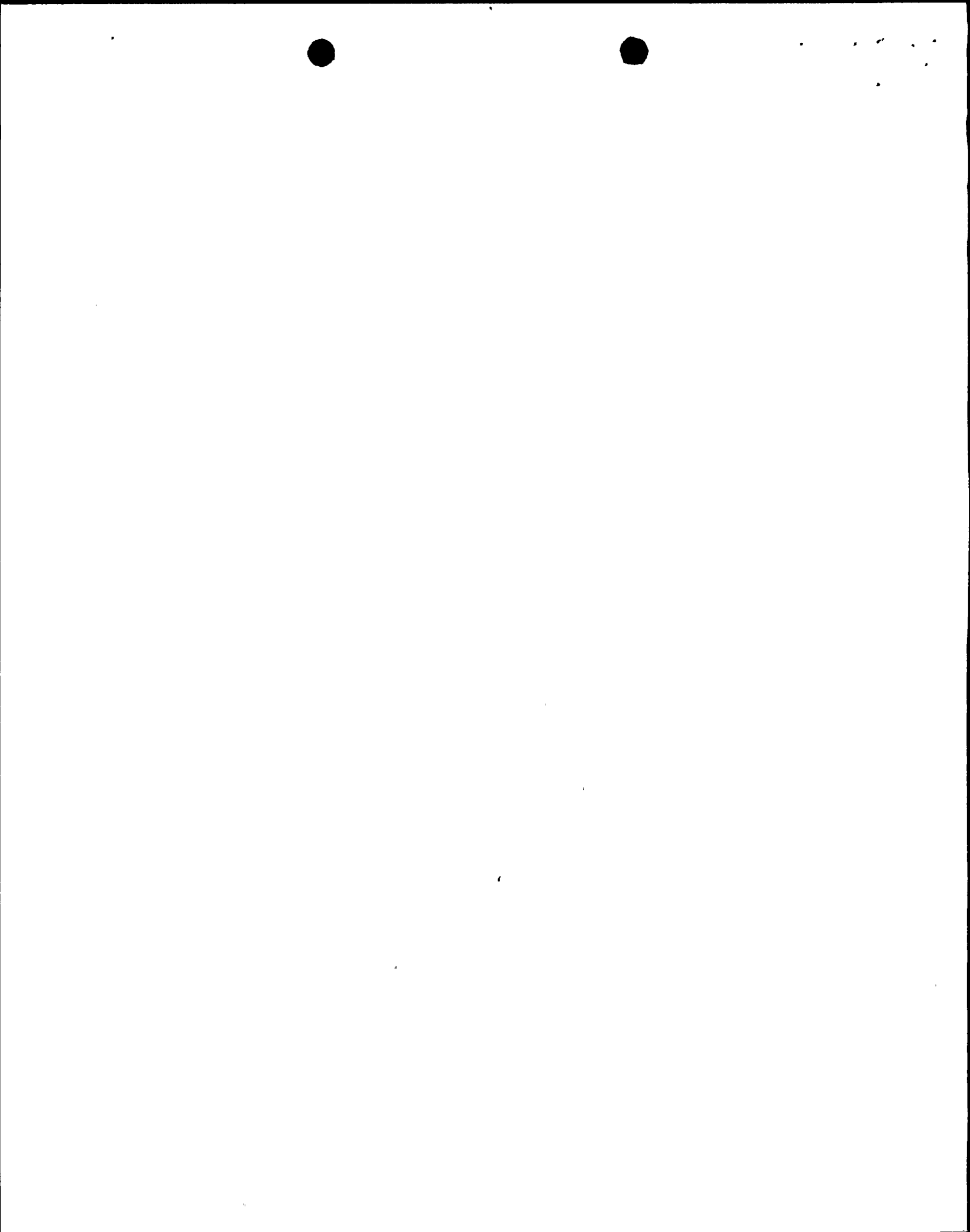
NINE MILE POINT UNIT NO. 2

Additional Information Requested by the NRC Regulatory Staff
in Connection With Its Anti-Trust Review of
Operating License Application
in Accordance With
Regulatory Guide 9.3

Supplementing Information Submitted to the Attorney General
For Anti-Trust Review in Connection With The License
Application for this Facility Pursuant to

10 CFR 50, Appendix L

CENTRAL HUDSON GAS & ELECTRIC CORPORATION



B.1(h) - Summary of requests or indications of interest by other electric power wholesale or retail distributors, and license's response, for any type of electric service or cooperative venture or study.

CH, as a member of the New York Power Pool, participates in studies with other member utilities in order to evaluate possible opportunities for cooperative ventures to supply the needs of our future generation system. These studies are continuous in nature and have resulted in joint ventures such as Nine Mile Point 2 and Sterling. Also, Long Island Lighting Company contacted CH in the spring of 1982 concerning interest in a joint coal unit at Jamesport for inservice in the 1990's. A preliminary study indicated that CH may possibly be interested, however, a more detailed study will be necessary before any conclusions could be reached.

In addition, from time to time, CH receives unsolicited requests for the sale of electric generating capacity. In that regard, CH received offers for sale of electric generating capacity from Northeast Utilities with respect to its Millstone plant and from Public Service Company of New Hampshire with respect to its Seabrook plant. CH did not respond affirmatively to either request. As a general matter, in recent years CH has not seriously considered offers for the sale of additional capacity other than for very limited periods due to its current excess capacity situation.

Since excess capacity is available, CH sends out solicitations to members of the New York Power Pool as well as to the members of PJM (Pennsylvania, New Jersey, Maryland Power Pool) and NEPEX (New England Power Exchange) which have resulted in several short term economy sales.

CH is not interested in the purchase of additional capacity other than from small scale hydro projects and other customer owned electric generating capacity as required by PURPA.



11

NINE MILE POINT UNIT NO. 2

Additional Information Requested by the NRC Regulatory Staff
in Connection With Its Anti-Trust Review of
Operating License Application
in Accordance With
Regulatory Guide 9.3

Supplementing Information Submitted to the Attorney General
For Anti-Trust Review in Connection With The License
Application for this Facility Pursuant to

10 CFR 50, Appendix L

NEW YORK STATE ELECTRIC & GAS CORPORATION



NYSEG'S RESPONSES TO THE QUESTIONS OF THE NRC
STAFF CONTAINED IN A LETTER DATED MARCH 21, 1983

Question "1(h) "

In addition to the information previously supplied, NYSEG intermittently receives unsolicited letters from other electric utilities offering to sell shares of electric generating units either planned or under construction. These unsolicited letters generally are sent to all electric utilities in the region. A search of the files of the generation planning section identified the following letters, which are typical of those received:

- 1) A January 5, 1981 letter from Northeast Utilities on behalf of The Connecticut Light and Power Company, The Hartford Electric Light Company, and Western Massachusetts Electric Company offering to sell 8.70% (approximately 100 MW) of the Millstone Unit No. 3.
- 2) A January 29, 1982 letter from Public Service Company of New Hampshire offering to sell up to 7.56942% interest in the Seabrook project.
- 3) A May 12, 1982 letter from Long Island Lighting Company offering a share of the proposed 800 MW Jamesport coal-fired unit.
- 4) An October 19, 1982 letter from Maine Public Service Comany offering to sell up to 1.46056% (approximately 33.6 MW) interest in the Seabrook project.



NYSEG did not respond in the affirmative to any of these offers.

(a) Question "1(f)" part 3

The Village of Greene became a wholesale customer of the Power Authority of the State of New York (PASNY) on August 1, 1978. At that time, NYSEG commenced providing wheeling service to the Village of Greene under contractual agreement between NYSEG and PASNY. The maximum power demanded by the Village of Greene prior to that date was 4140 KW in February, 1978.

After the Public Service Commission adopted a policy discouraging utilities from entering into special contracts containing rate provisions, which the PSC deemed insufficient to cover the cost of service, the Village of Green was notified that NYSEG would not renew NYSEG Contract No. 237 under which service was rendered to the Village. The Village was also notified that subsequent to the expiration of Contract No. 237, NYSEG would be willing to render service under the terms of its filed Tariff Rate No. 3. Subsequent to an investigation, the Village adopted a resolution indicating its intent to seek service from the Power Authority of the State of New York which it apparently deemed more favorable to the Village. NYSEG consented to a termination of Contract No. 237 prior to its expiration date when the Village contract with the Power



11

Authority received all requisite approvals and the transfer to the Power Authority could reasonably occur.

(b) Question "1(f)" part 3

The peak demand of Peach Lake Utilities System at the time of NYSEG acquisition was approximately 200 KW.

(c) Question "1(f)" part 3

Negotiations with Gas Alternative Systems, Inc. (GAS) are still underway and it is impossible at this time, to estimate an "in-service" date. GAS has stated that they could have the plant on time in 24 to 30 months following successful negotiations of all necessary contracts. There is no certainty that negotiations will be successful or that the project will ever come to fruition.



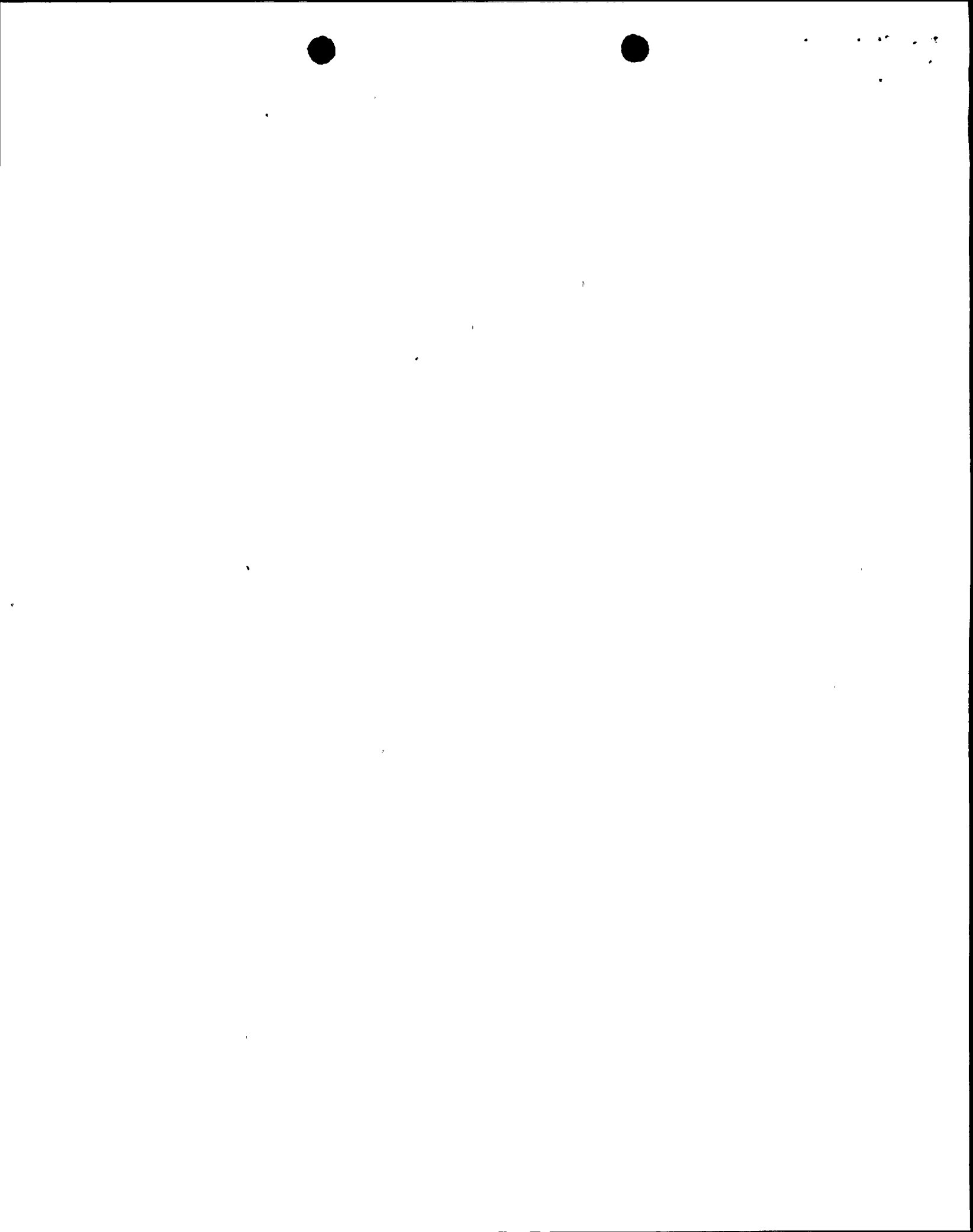
NINE MILE POINT UNIT NO. 2

Additional Information Requested by the NRC Regulatory Staff
in Connection With Its Anti-Trust Review of
Operating License Application
in Accordance With
Regulatory Guide 9.3

Supplementing Information Submitted to the Attorney General
For Anti-Trust Review in Connection With The License
Application for this Facility Pursuant to

10 CFR 50, Appendix L

LONG ISLAND LIGHTING COMPANY



LONG ISLAND LIGHTING COMPANY

1(h) Additional Information Requested

Long Island Lighting Company (LILCO), to the best of our knowledge, has not received any requests for electric service since the co-tenants' 1978 filing, aside from the expressions by four companies of potential interest in capacity ownership of the Jamesport coal plant. The four companies who expressed a potential interest in capacity ownership of the Jamesport plant are: Consolidated Edison Company of New York, Central Hudson Gas & Electric Corporation, Northeast Utilities and the Massachusetts Municipal Wholesale Electric Company. In a letter to the New York State Board on Electric Generation Siting and the Environment, dated March 11, 1983, LILCO requested that the Board rescind the Certificate which it had issued to construct the 800 MW Jamesport coal plant, since installation of the plant in the early 1990's would not be economic for its customers (whether it is wholly or jointly owned). LILCO, however, also recommended that the Siting Board suspend the rescission of the Jamesport Certificate until the situation concerning the Company's Shoreham Nuclear Plant is clarified and resolved. The Siting Board has not yet acted on LILCO's request and recommendation.

As indicated in our previous response to this question, the Company has received numerous unsolicited offers to purchase co-owned electric generating capacity. While LILCO has not maintained a list or record of the many offers made, it does have records reflecting the following four offers:

1. Offer by Pennsylvania Power & Light Company, dated May 30, 1980, to purchase an undivided ownership interest in its two-unit Susquehanna Nuclear Station;
2. Offer by The Connecticut Light and Power Company, the Hartford Electric Light Company and Western Massachusetts Electric Company, dated January 5, 1981, to purchase an 8.7% (about 100 MW) ownership interest in Millstone Unit No. 3;
3. Offer by Public Service Company of New Hampshire, dated January 29, 1982, to acquire capacity in the Seabrook Nuclear Generating Station Project; and
4. Offer by Maine Public Service Company, dated December 27, 1982, to sell a 0.73028% interest in each of the two Seabrook Units (representing about 8.4 MW per Unit) in the Seabrook Nuclear Project.

LILCO did not submit a response to any of the above offers.



A number of governmental and private entities on Long Island have expressed an interest in producing electricity and selling it to LILCO, and the Company has expressed a willingness to purchase all of the electricity that they can produce. In this regard, LILCO entered into two contracts with such producers last year. First, a contract, dated November 26, 1982, with Schuyler Investments Capital Corporation of Wayne, New Jersey, to purchase up to 3,050 KW from the Long Beach Resource Recovery Plant to be constructed by Schuyler. The second contract, dated December 30, 1982, is with Wehran Energy Corporation (Middletown, New York) to purchase up to 5,000 KW from a small-power facility owned by that Company in Yaphank, New York.

Finally, with respect to Staff's question concerning the status of LILCO's discussions with the Village of Greenport on re-establishing an interconnection, a 13 KV interconnection between LILCO's system and the Village of Greenport was completed on January 31, 1980.

Charles J. Davis
Senior Vice President



NINE MILE POINT UNIT NO. 2

Additional Information Requested by the NRC Regulatory Staff
in Connection With Its Anti-Trust Review of
Operating License Application
in Accordance With
Regulatory Guide 9.3

Supplementing Information Submitted to the Attorney General
For Anti-Trust Review in Connection With The License
Application for this Facility Pursuant to

10 CFR 50, Appendix L

ROCHESTER GAS & ELECTRIC CORPORATION



Rochester Gas & Electric
Nine Mile 2 Antitrust Review
May 9, 1983

Question 1(h): Rochester Gas and Electric Corporation should provide a "Summary of requests or indications of interest by other electric power wholesale or retail distributors, and licensee's response, for any type of electric service or cooperative venture or study." This summary list should identify to the extent possible, pertinent dates, parties and types of service requested.

Answer: Since the original submittal in 1978, Rochester Gas and Electric Corporation ("RG&E") has received numerous, unsolicited offers to purchase electric generating capacity from other utilities. RG&E does not maintain a record of these unsolicited offers since no action was taken in responding to the offers.

Since 1978, RG&E has received no request or other indication of interest from any utility regarding the purchase of electric generating capacity from RG&E. It should be noted in this regard that unsolicited requests for electricity on a short-term basis are typically handled through the New York Power Pool ("NYPP") which dispatches the generating facilities of its member systems to efficiently distribute the available energy and provide emergency service. This economy dispatch function of the NYPP has been described in Attachment 8-13 of the Appendix L submittal. Further, under existing arrangements between NYPP and Ontario Hydro, New England and the Pennsylvania-New Jersey-Maryland pools, NYPP can purchase firm capacity and energy on behalf of all its member systems. RG&E's purchase of capacity and energy from Ontario Hydro during the 1982 Ginna Nuclear Plant outage provides one such example.

To its knowledge, RG&E has received only one general inquiry regarding the provision of transmission services since 1978. In May, 1982, the Fairport Municipal Commission inquired as to the feasibility of having RG&E wheel PASNY power to its service area. After explaining the terms and conditions under which RG&E will provide wheeling services to all PASNY customers, RG&E received no further inquiry from the Fairport Commission.



11-24-24
5

Question 1 (f),
Part 4

List all acquisitions and mergers (and dates by RG&E regardless of type).

Answer

On January 19, 1981, RG&E's application to merge with Pavilion Natural Gas Company and Pavilion's subsidiary, Valley Gas Company, was approved by the New York State Public Service Commission. This acquisition increased RG&E's total gas demands by 6% and increased the Company's total number of gas customers by 5%. RG&E's market share in New York State, as measured in total gas demands, increased from 6.1% before, to 6.5% after the merger.

